

A010 Health Care Analysis

The Health Care Analysis program performs four main functions. It works to control the rate of growth in medical benefit costs for workers' compensation claims; improves the quality of health care in order to improve return-to-work outcomes for injured workers; pays health care provider medical bills to ensure injured worker access to health services; and detects and controls provider fraud and abuse.

Health Services Analysis helps minimize medical cost increases for worker compensation claims by implementing and continually updating provider fee schedules, hospital payment methods, and pharmacy payments. These fee schedules provide fair compensation for claims costs, but do not allow individual providers to charge higher fees. Payment methods are coordinated and aligned with other major state health care purchasers in order to increase consistency and maximize the state's purchasing power.

	FY 2006	FY 2007	Biennial Total
FTE's	105.4	106.2	105.8
GFS	\$0	\$0	\$0
Other	\$9,825,349	\$10,398,839	\$20,224,188
Total	\$9,825,349	\$10,398,839	\$20,224,188

Statewide Result Area: Improve the quality and productivity of our workforce

Expected Results

Developing and updating medical fee schedules. Controlling the rate of growth in medical costs to minimize premium increases. Processing and paying in a timely manner 3.1 million provider bills, in excess of \$450 million annually. Auditing health-care providers to recover inappropriate payments. Developing, implementing, and evaluating innovative service delivery programs for provision of cost-effective medical services to injured workers. Providing targeted utilization review of 15,000 high cost inpatient and outpatient procedures each year to support quality and value-based purchasing. Preventing inappropriate use of prescription drugs. Developing medical treatment guidelines and health technology assessments to ensure health care is high quality and evidence-based. The agency's drug utilization review saves approximately \$4 million per year while improving patient safety.

Dollars recovered through bill audits that detect and control inappropriate billings by health care providers.				
Biennium	Period	Target	Actual	Variance
2005-07	8th Qtr	\$375,000	\$0	\$(375,000)
	4th Qtr	\$375,000	\$0	\$(375,000)
2003-05	8th Qtr	\$375,000	\$27,738	\$(347,262)
	7th Qtr	\$0	\$3,900	\$3,900
	6th Qtr	\$0	\$86,178	\$86,178
	5th Qtr	\$0	\$18,734	\$18,734

Appropriation Period: 2005-07 Activity Version: F2 - 2005-07 Activity Recast

Maintain the annual growth of the medical aid fund at or below 7 percent to stabilize workers' compensation premium increases.				
Biennium	Period	Target	Actual	Variance
2005-07	8th Qtr	7%	0%	(7)%
	4th Qtr	7%	0%	(7)%
2003-05	8th Qtr	7%	5.4%	(1.6)%
	7th Qtr	7%	3.3%	(3.7)%
	6th Qtr	7%	3%	(4)%
	5th Qtr	7%	5%	(2)%

Number of inappropriate prescriptions avoided including duplicate drug therapies and dangerous drug combinations.				
Biennium	Period	Target	Actual	Variance
2005-07	8th Qtr	74,000	0	(74,000)
	4th Qtr	74,000	0	(74,000)
2003-05	8th Qtr	74,000	18,326	(55,674)
	7th Qtr	0	16,052	16,052
	6th Qtr	0	14,855	14,855
	5th Qtr	0	16,368	16,368